

IN UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

IN RE:	:	
	:	Chapter 11
NORTHWESTERN CORPORATION,	:	
	:	Case No. 03-12872 (JLP)
Reorganized Debtor.	:	
-----X-----		
MAGTEN ASSET MANAGEMENT	:	
CORP.,	:	
	:	
Appellant,	:	
	:	
v.	:	Civil Action No. 05-398 JJF
	:	
PAUL, HASTINGS, JANOFSKY &	:	
WALKER LLP,	:	
	:	
Appellee.	:	
-----X-----		

JOINT STATUS REPORT

Magten Asset Management Corporation (“Magten”) and Paul, Hastings Janofsky & Walker LLP (“Paul Hastings”) (collectively “the parties”) submit this joint status report to the Court in connection with Magten’s appeal of Paul Hastings’ fee award (“Fee Appeal”).

On August 9, 2005, the Court approved a Stipulation and Order submitted by the parties deferring mandatory mediation of the Fee Appeal until after the Court decided Magten’s appeal of the Bankruptcy Court’s denial of Magten’s motion to disqualify Paul Hastings from serving as Debtor’s Counsel in connection with Northwestern’s Bankruptcy case (the “Disqualification Appeal”). The parties failed to reach a settlement at that time.

In the parties’ last joint status report, submitted to the Court on April 4, 2006, the

parties agreed to submit to the Court a briefing schedule for the Fee Appeal following the Court's resolution of the Disqualification Appeal if that resolution did not render the Fee Appeal moot.

By Order dated July 17, 2006, the Court denied the Disqualification Appeal. Magten appealed the Court's decision to the United States Court of Appeals for the Third Circuit. The parties are now in the process of briefing the Third Circuit appeal.

As the Third Circuit's ruling on the Disqualification Appeal may be relevant to the resolution of the Fee Appeal, the parties agree, subject to Court approval, to defer submission of a proposed briefing schedule on the Fee Appeal until a final judgment is rendered with respect to the Disqualification Appeal. If this proposed course of action is acceptable to the Court, a proposed form of order is attached.

MORRIS, NICHOLS, ARSHT &
TUNNELL LLP



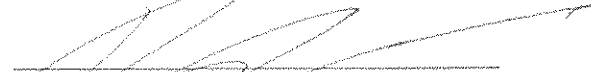
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October 20, 2006

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